

paddy into rice and give to MMTC basmati rice for exports, and other by-products for sale in the domestic market.

(c) and (d) Yes, Sir. MMTC paid for the value of the paddy and took trust receipts from the company, as MMTC was not having a licence for purchase of basmati paddy directly in its name. MMTC has reported that as per industry norms, no miller gives Bank Guarantee (BG) for value of paddy.

(e) and (f) No, Sir. MMTC has initiated legal action against the Processor M/s. K.J. International for non-fulfillment of contractual obligation. Criminal action is also in process.

So far MMTC officials are concerned, disciplinary action against two officers have been concluded and penalty imposed. Disciplinary action against other officers is in process.

**Renewal of rate contract for import of certain critical security
Equipment**

2342. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the renewal of the Rate Contract for import of certain critical security equipment required by the Para Military Forces, Border Security Forces etc. Supplied through the DGS and D lapsed due to indecision by the Government thereby affecting the working of these security forces;

(b) if so, what are the details thereof; and

(c) what are the reasons therefor?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN).'(a) Though not specifically stated, it appears that the reference is to the DGS and D Rate Contract (R/C) for transreceivers & their accessories. This R/C was concluded in July' 1999 for a period of one year.

It is not a fact that renewal of Rate Contract lapsed due to indecision of the Government. The Rate Contract for as many as 58

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models of Transreceivers and their accessories were concluded in July' 1999 for a period of one year i.e. upto 21st July' 2000 except for Scrambler/secretcy models. Subsequently, on clearance of these models by concerned organization, these were also brought on Rate Contract along with other models. The Rate Contract has already been approved for extension by one month.

(b) and (c) Do not arise.

Decline in the Export of Automobiles

† 2343. SHRI KRIPAL PARMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the export of automobiles has declined during the last three years;

(b) if so, the reasons therefor; and

(c) the steps being taken by Government to bring improvement in this regard?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) The decline in the export of automobiles is mainly due to the economic situation in major markets like East and South East Asia and Africa, as well as currency devaluation by competitors such as South Korea. In addition, the global recession in the automobile sector has contributed to the negative trend of exports.

(c) There is no exclusive scheme for promotion of exports of automobiles. However, promotion of exports of automobiles, like other items in the Engineering *Sector*, has been the constant endeavour of the Government. Measures being provided to boost exports of engineering goods including automobiles consist of various provisions under the Export-Import Policy including Duty Exemption Scheme, Export Promotion Capital Goods Scheme, Duty Drawback

† Original notice of the Question was received in Hindi.